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J. Kennedy

- *2nd-tier chains gaining ground—Page 49*
- *Profile: Garcia's Tom Fleck—Page 97*

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The Newspaper of the Food Service Industry

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Burger King rallying under Brinker

Under chairman and ceo Norman Brinker (inset), Burger King has reinstituted the Whaler sandwich chainwide. The Whaler is priced lower than Burger King's other specialty sandwiches.

New ceo heads latest assault on McD

By Charles Bernstein

MIAMI—Buoyed by an estimated 12% customer count surge in the last several months, Burger King is setting its sights firmly on overtaking McDonald's in comparative unit results within four years.

Sound familiar? It's the same theme that BK and Wendy's have been echoing for years without having closed much of McD's large gap.

But this time Norman Brinker—founder of Steak & Ale, driving force behind Bennigan's, inspiration for last fall's "The Whopper beat the Big Mac" strategy, and Burger King chairman and ceo for almost a year—is sounding the war cry.

With new slogans emphasizing BK as the "Home of the Winners" and a "Win Win" philosophy, Brinker sees no reason why his goals can't be achieved.

Annual per unit sales have jumped from $750,000 in the fiscal year ended last May to almost $800,000 for franchised units and $900,000 for company units. A scaled-down 65-seat prototype has been launched with a redesigned kitchen, initial investment costs cut $100,000 to only $600,000, far more takeout and drive-thru business envisioned, and a potential annual sales capacity of well over $1 million.

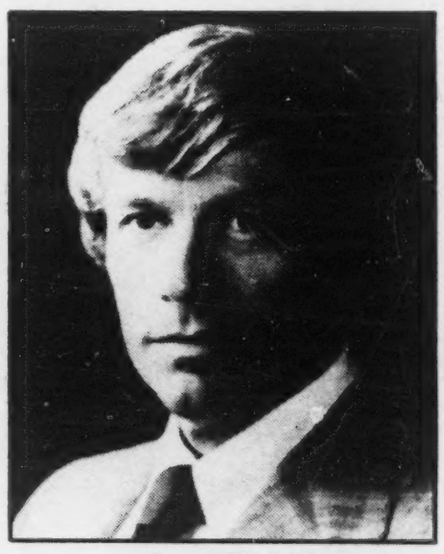
A salad bar, with all its inherent quality challenges, is being unveiled chainwide. And a Whaler fish filet sandwich is being pushed at $1.19 or $1.20 as a superior product and value to anything the competition can offer.

While the white chicken and ham & cheese sandwiches are being retained at about $1.75 and $1.65, respectively, BK is going back to its origins of "giving the best burger and the best burger value," declared Brinker. He is counting on the Whopper's $1.35 to $1.45 price and its known quality and the fact that "most all customers like it our way—broiled."

(Continued on page 160)

When going public falls flat . . .

Private ownership may be an answer



Sam Wyly
Bonanza International's principle stockholder

By Donald Frazier

The decision to go private wasn't difficult for Sam Wyly.

As the principal shareholder of Bonanza International, the Dallas-based 630-unit budget steakhouse chain, he found that the costs of public ownership, especially the time and trouble of reporting, exceeded its benefits.

Buying out the minority shareholders, he reasoned, would allow him to maneuver the company's resources more effectively without sacrificing any financial advantages.

Tom Buckley, the company's executive vice president and chief financial officer, put it another way: "Mr. Wyly has been involved in this company for over 15 years, and during that time he has never received a return on his money."

In taking Bonanza private, however, Wyly is bucking the trend. Privately held food-service companies are going public at an increasing rate, prompted by tight money to seek expansion capital from the stock market.

But private ownership can also offer benefits, according to some of the companies which have retreated from the stock market and the analysts who observe them.

Valle's Family Steakhouse chain was taken private by officers last year and Cooky's Steak Pubs is contemplating going private. Observers point out that public ownership may not be for everyone.

They advise caution to those contemplating it, and imply that some of the operators who have gone public or plan to do so may be overestimating its potential for financing their operations.

"I don't see where the advantage lies in public ownership, unless you're planning very rapid expansion," said Roger Scwimmer, financial consultant for Los Angeles-based Pioneer Take-out,

(Continued on page 160)

Hungry Tiger to buy 12-unit Castagnola's

LOS ANGELES—Hungry Tiger, the 36-unit seafood restaurant chain with sales last year of $58.9 million, has agreed to purchase the 12-unit Castagnola's Lobster House chain for more than $5 million cash.

Santa Barbara, Calif.-based Castagnola's had sales last year of about $18 million. The founder, president and principal shareholder of the privately owned company, Mario Castagnola, 76, began the chain 30 year ago as an offshoot of his family's wholesale seafood business, which was founded in the 1930's.

Hungry Tiger does not now plan to change the Lobster House operation, which employs 750 people, according to Hungry Tiger vp and chief financial officer Ida VanderPoorte. She said Castagnola, executive vp Thomas Headley, vp Alfieri Bulfone, and quality control manager Richard Headley would continue to work with the company's new owners on a consulting basis.

Seven of the 12 Castagnola's units are full-scale restaurants, including one Mexican operation in Santa Barbara. Those units each reportedly average about $2 million in annual sales. The company's other properties include coffee shops, a commissary and a retail fish store.

VanderPoorte characterized the merger as a natural dovetailing of operations, since both outfits specialize in fresh seafood, operate retail outlets, and are based in southern California.

In addition to 31 Hungry Tiger restaurants, the company also operates the Pavilion and Rehearsal Room restaurants at the Los Angeles Music Center, two Breakers Seafood Co. units, the Garden Tea Room restaurant at the J. Paul Getty Museum in Malibu, and the Hungry Tiger Fish Co. retail store adjacent to its commissary.

Associated Hosts shifts gears

Kicks off conversions to casual themer

By Ken Frydman

BEVERLY HILLS, Calif.—Associated Hosts, suffering an earnings squeeze in its dinnerhouse and hotel operations, has decided to move ahead with conversions to a bar and cafe concept, Bombay Bicycle Club.

The BBC format has already replaced eight other company units in five states and nine more conversions will be finished within the next few months, top company officials said.

AH operates 82 restaurants and cocktail lounges in 26 states under such names as Chauncey's, Nelson's Landing, Julie's Place, The Wrangler, The Beef Rigger, Smuggler's Inn, Coffee Dan's and The Bombay Bicycle Club. There are 16 AH restaurants in California alone.

All eight BBC's which offer quiche, salad, soup, finger snacks, hamburgers, sandwiches, etc., opened within the last year. Since its inception, the Jacksonville, Fla., unit has been averaging $50,000 a week in sales, with bar sales 40% of that. The Houston, Tex., unit has been averaging $55,000 a week in sales, with beverages accounting for 45%. Both locations, which can seat 150, have been averaging about 4½ table turns per day.

BBC's, similar to Bennigan's and T.G.I. Friday's in its relaxed atmosphere and casual dining, costs approximately $250,000 to covert from another concept. A typical restaurant, located near a major thoroughfare or residential area, averages 9,000 sq. ft.

The company owns the Beverly Hillcrest Hotel in Los Angeles, leases another hotel and also manages two others.

BBC's are currently operat-

(Continued on page 159)

LATE NEWSBREAKS

ARA Services president Joseph Neubauer has been promoted to chief executive officer. The ceo title is being relinquished after many years by William S. Fishman, who remains board chairman.

McDonald's has agreed to buy the 55% it doesn't already own of its British franchisee, Golden Arches Restaurants. Golden Arches operates 101 McD restaurants, plans to open 32 more this year, and had 1982 sales of about $117 million.

Wendy's is rolling out a bacon cheeseburger backed by a $15 million ad campaign with the slogan "Wendy's is Makin' Bacon."

Sambo's would pay its debts by giving creditors ownership of the company under a reorganization plan it has filed to finally emerge from Chapter XI bankruptcy. Most all of Sambo's 617 restaurants are now Season's.

Blue-collar layoffs prompt strategy shift

Canteen intensifies push on white-collar sector

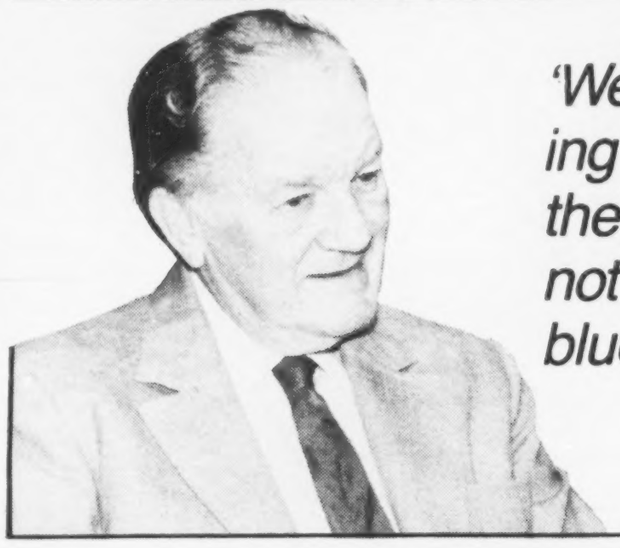
By Ken Frydman

SCHAUMBURG, Ill.—As the American workplace changes from a smokestack to a service economy, and the blue-collar employment force diminishes, contract feeders like the Canteen Corp., the nation's largest industrial food-service provider, have had to reorient and actively seek out new, expanding markets.

Canteen, owned by Trans World Corp., is making the difficult transition from the manufacturing to service sector by emphasizing its Gulliver's Deli breakfast and lunch concept, which caters to white-collar, office-building employees.

But the product line and service switchovers have not been easy for the giant food-vending company.

Although company profits increased in 1982, total revenues were down from $894 million to $760 million. Last year's pretax profits were $22.3 million and profit 3% of revenues.



'We are restructuring and streamlining our operations to move toward the white-collar market, but we're not going to abandon the industrial blue-collar market.'

—James T. McGuire
Canteen Corp.

The reason for Canteen's plummeting sales is simple: when major accounts like General Motors, Ford Motor Company, Caterpillar, and International Harvester began laying off blue-collar employees due to the recession, Canteen began to suffer a substantial service-sector earnings loss.

To compensate for the decrease in its blue-collar business, Canteen has naturally intensified its assault on white-collar contracts like the United Nations concession stands, giftshops, cafeterias and dining room (taken over one year ago from Trusthouse Forte), the ATT headquarters in New York, the New York Stock Exchange, and the NASA Space Center at Cape Canaveral in Florida.

In total, Canteen, which also provides exclusive food service at Yellowstone National Park, Yankee Stadium, Bradley University in Peoria, Ill., and the University of Kentucky football stadium, did $65 million worth of new business in 1982.

The flagship project in Canteen's market switch seems to be the brightly colored Gulliver's Deli, known as "The Giant Sandwich Maker." Canteen plans to expand its current 17-unit block by 15 a year until there are 100 Gulliver's locations nationwide.

Gulliver's Schaumburg site is located in the Schaumburg Corporate Center, which is filled to only 40% of capacity. The soup,

(Continued on page 159)

Cautious optimism characterizes climate at '83 COEX conference

By Charles Forman

MIAMI BEACH—Optimism about the business climate was the official mood here last month at a meeting of some 600 food-service suppliers and 300 chain executives.

Four years of stagnation in the restaurant business are about over, the packers, brokers, manufacturers and operators were told at IFMA's COEX '83, the 10th annual Chain Operators Exchange meeting at the Fontainebleau Hilton.

"I am beginning to feel a growing sense of optimism," declared John Dankos, National Restaurant Association president and chairman, in one of the meeting's major addresses. "There should be more money in consumers pockets and a greater demand for meals away from home," Dankos said.

Some bad news, especially with regard to industrial production, cannot be understood when taken at face value, hinted George Rice, president of GDR/CREST, a firm which tracks eating out trends.

"Today's growth is technological," Rice said, "and cannot be measured in units per hour."

More important for the future, said Rice, is that in 1982 "inflation was stopped."

Admitting his prediction that recovery would start a year ago had fallen flat, economist Lawrence Chimerine, chairman, Chase Econometrics, told attendees that this time recovery was sure.

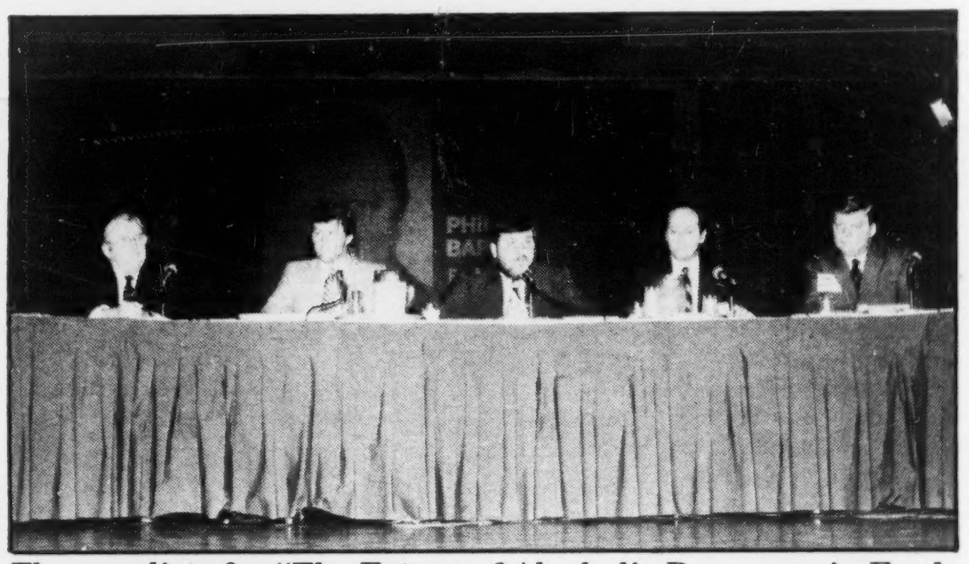
Chimerine said last year's expected economic comeback had been short-circuited by "heavy business cost cutting."

Chimerine predicted real GNP up 3.8% for this year's first quarter, consumer spending up 3.3% after inflation, and inflation itself tied down to 4% in 1983 and 5.4% in 1984.

Despite a host of declarations of better times coming, major program participants also devoted a good deal of time to documenting the downslide of 1978-82

Rice, who was a major organizer of the meeting for sponsor IFMA (International Foodservice Manufacturers Association), reported a new anal-

(Continued on page 160)



The panelists for "The Future of Alcoholic Beverages in Foodservice" seminar are (l-r) Richard Jackson, president, Mr. Steak; Hal Smith, president, S&A Restaurant Corp.; Ron Magruder (session chairman), president, Casa Gallardo; Tom Russo, executive vp, Howard Johnson, Co., and Phil S. Barksdale, president, Perkins.

Jerrico and distributors charged in antitrust suit

By Roman Czajkowsky

LEXINGTON, Ky.—Jerrico Inc., its Long John Silver's seafood restaurant subsidiary, and three other companies are the target of an antitrust suit by two fish distributors who are also seeking $110 million in damages.

The suit, filed last December in Federal court in Florida, charges that Jerrico unreasonably restrained competition in the sale of cod, shrimp and other products, and violated antitrust laws by conspiring to monopolize the purchase of products for distribution to Long John Silver's franchisees.

Seagood Trading Corp. of St. Petersburg, Fla., and Falcon Food Service Co. of Diamondhead, are also suing Caribou Fisheries Inc. of Boston; Martin-Bower Co. of Des Plaines, Ill., and S&S Food Management Co. of Merritt Island, Fla.

Jerrico, which is headquartered in Lexington, Ky., has since filed a countersuit charging the two plaintiffs with injurious falsehood and seeking $6 million

Specifically, the litigants say Jerrico coerced its franchisees to buy products from the company, and that its standards for food specifications are so restrictive that they severely limit any potential competition. They also charge that Jerrico in effect monopolizes the fish market by controlling 85% of the available product specified by the company. Martin-Brower is charged with refusing to distribute Seagood and Falcon products.

According to an official with one of the two fish distributors, Seagood and Falcon together supply some products to about

(Continued on page 160)

Industrywide alert sounded

NRA warns against energy audits

By Richard Martin

LAHAINA, Hawaii—An industrywide alert has been sounded by the National Restaurant Association warning against possible state and local adoption of new building codes requiring costly annual energy-usage audits in restaurants.

Such codes, already adopted in two states, would be based on a far-reaching energy conservation standard drafted, approved, and being promoted by a national mechanical engineers association.

The NRA's energy and technical services committee issued the warning at the NRA winter board meeting here, calling for all state restaurant associations to be on guard against proposed revision of codes to comply with Standard 100.6, approved last October by the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE).

Consulting engineers hired by the NRA have estimated that audits conforming to the ASHRAE standard could cost operators as much as $2,000 per restaurant every year. Additionally, retrofits and modifications of electrical, plumbing and other utility systems would be mandatory under the standard if the costs of such changes were offset by estimated energy savings over a four-year period.

Hundreds of thousands of restaurants could be affected through nationwide compliance with the standards, raising annual utility costs for the average unit anywhere from 15% to 30%, according to NRA estimates.

Committee chairman Stanton Elliott cautioned NRA directors that ASHRAE had al-

(Continued on page 159)

Borel Clarification

Jacques Borel is no longer associated with the company Jacques Borel International. Borel's picture appeared in *Nation's Restaurant News*, Feb. 14, with a story about the company's acquisition of the Seafood Broiler chain.

HIGHLIGHTS IN THIS ISSUE

6 Political action committees need an even greater commitment from the restaurant industry if it is to have a secure voice in Congress, notes *NRN* editor Charles Bernstein in an editorial.

9 Determining the best investment opportunities within the restaurant industry is the topic of the second installment of Roger Lipton's Wall Street View, a new *NRN* column.

19 At Between the Bread, Rikki Eisen's miscalculation has become an unplanned-for source of additional revenue.

46 As confusion mounts, the IRS has added another twist to its labyrinthine tip reporting rules.

89 Closing the door of the Water Club on Mimi Sheraton has opened another one: A door into a new age of restaurateur/critic animosity.

113 It's been called a bona fide war, as Chicago restaurateurs armed with barbecued ribs battle for market supremacy.

119 There's a real 'Queen of Soul Food' in Harlem. Just ask anyone who's eat en at Sylvia's.

122 Character actor Harry Lewis never got his chance to play Hamlet, but today—along with wife Marilyn—he has 24 Hamlets (read that *Hamburger* Hamlets).

REGULAR FEATURES

Financial 4, 5
Opinion 6
Promotions 98
People 121
Purchasing News . 133-135
New Products 145
Classified 147-158

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3M regional insert, pages 104a and b.

Vol. 17, No. 6 March 14, 1983

Bushnell opens Lion & Compass; tests adult entertainment chain

By Richard Martin

SUNNYVALE, Calif.—Here in the unofficial capital of Silicon Valley, hungry executives of high-tech companies would appreciate a really good restaurant, thought noted futurist Nolan Bushnell. So the co-founder of Atari and chairman of Pizza Time Theatre paused from his own high-tech endeavors to build them one.

Lion & Compass, the 220-seat, 7,000-sq.-ft. restaurant which Bushnell and his in-laws opened last year at a cost of about $2.5 million, is now on its way to first-year sales of about $1.8 million.

Combining a chic yet simple decor with antique English accents, the restaurant features a seminouvelle French menu, plus a few high-tech touches to make the local movers and shakers of the computer world feel right at home.

"There are probably more deals put together in Silicon Valley than Los Angeles these days," Bushnell says, "and I thought the valley needed its own 'Polo Lounge' as a place where people could get together and do business. Offhand, I can think of four new companies that got their start over lunch at Lion & Compass.

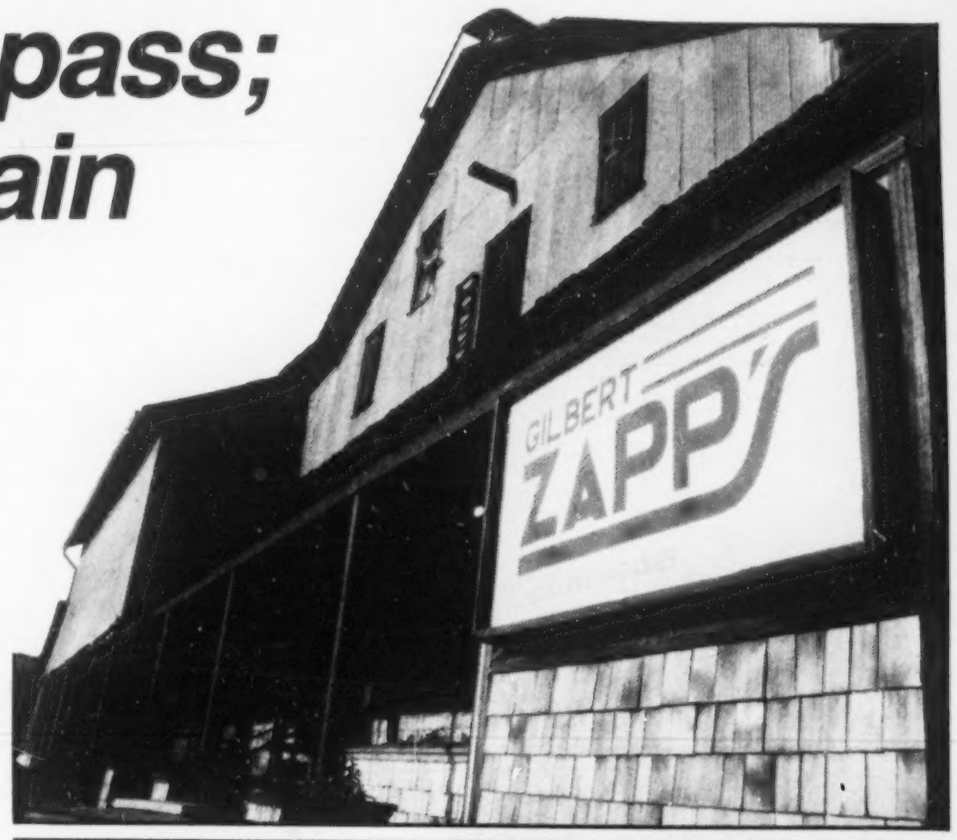
"Basically, though, it's a place where I like to eat, with the kinds of dishes I really enjoy," he says.

Dishes such as sautéed California veal with fresh tomato sauce and saffron risotto, or fresh poached Coho River salmon in a garlicky crème fraiche with sweet red pepper butter, are served under a skylit fabric canopy in the main dining room. In the next room, near the bar, stock quotations flash by on the wall, beside a "scoreboard" of local business-news items. Diners getting the urge to call their brokers, or anyone else, may do so easily, since all tables are equipped with telephone jacks.

And beneath the electronic stock ticker, in a darkened little alcove, is the slightly incongruous evidence of Bushnell's first love. Although not a common sight in stylish tablecloth restaurants like Lion & Compass, the electronic game pioneer has unobtrusively installed an arcade containing six of the latest coin-op video games.

"When Nolan comes in, the

(Continued on page 160)



Top: exterior of first Gilbert Zapp's prototype; above: bar area of Bushnell's Lion & Compass in Silicon Valley.

COMMODITIES

Minor crop damage seen in heavy California rains

NRN Special Report

Heavy rains pelted California growing areas from late January to mid-February, but overall crop damage was slight. Probably largest loss was an estimated 5% of the avocado crop, and even that may be too pessimistic.

Greatest effort was on harvesting, particularly in the Salinas and San Joaquin areas, although workers had problems in the Imperial Valley as well. Although the crops were left in the fields beyond normal practice, lower temperatures accompanying the rains slowed ripening, so net result was a slowdown in marketing instead of a loss. Happening concurrently with the independent truckers' strike, some Midwestern and Eastern markets ran somewhat short of lettuce and broccoli, but the hiatus was short.

Rains also hit Florida shortly after the worst of the California downpours with the result that a good part of the specialty lettuce crops were damaged. However, planting of new fields is already under way and the shortages will be felt for only a short period.

Citrus Outlook Good

The rains in Florida were beneficial to the orange crop, which is up this year from last. U.S. Department of Agriculture estimates place the yield per box higher than last year, as well. The futures market was hit with a freeze scare in late February, but the temperatures in the citrus areas only dropped to the dangerous 28°F level for a short period—too briefly to cause any freezing damage. March 1 is generally considered to be the end of the freeze scare period; if the crop reaches that point, it is usually free from danger of cold temperature damage for the rest of the season.

There is currently a grapefruit juice surplus in Florida, with concentrate and canned juice packers considering promotional programs to move the product. There will also be strong promotions on fresh grapefruit from Florida, some possibly aimed at food-service operators.

Beef Prices Flat

The price of beef at the Midwest slaughterhouse has been flat most of last month. It has been as much as 6%-7% below year earlier levels. The reasons seem to be more cattle on feedlots, greater marketing of cattle during January and February—which has reduced the potential inventory—and generally decreased demand for beef and beef products. The demand situation is undoubtedly related to the recession.

Chicken, particularly broilers, on the other hand, have been reaching the market in increased quantities. Producers have stepped up production again this year, with prices staying

(Continued on page 159)

PRICE MOVEMENT AT A GLANCE

	Feb. 18, 1982	Jan. 18, 1983	Feb. 18, 1983
Beef, Choice, 700-900 lb., Midwest (lb.)	$1.03	$0.95	$0.96
Broilers, Grade A, Icepack NYC (lb.)	$0.5006	$0.4574	$0.4886
Cocoa, African, NYC (metric ton)	$1,603	$1,940	$2,067
Coffee, green, Brazilian, NYC (lb.)	$1.50	$1.34	$1.31
Corn, No. 2 hard, Kansas City (bu.)	$2.395	$2.315	$2.67
Eggs, Grade A, large white, Chicago (doz.)	$0.7165	$0.585-0.59	$0.645-0.65
Hams, 17-20 lb., Midwest, (lb.)	$0.79	$0.83	$0.91
Lettuce, Iceberg, Calif./Ariz. (24s)	$3.50-4.00	$4.00-4.50	$2.50-3.00
Pork loins, Choice, 14-17 lb., Midwest (lb.)	$0.99	$1.15	$1.11
Potatoes, round white, Maine (50 lb.)	$2.50	$1.25-1.30	$1.20-1.25

Source: NRN Research

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

New employee meal tax scheme may boost food-service profits

By Ken Rankin

WASHINGTON—New Federal legislation to boost food-service industry sales by allowing businesses to deduct the cost of off-premises restaurant meals for employees has resurfaced on Capitol Hill.

The bill, introduced by Rep. Guy Vanger Jagt (R-Mich.), is identical to proposals advanced during the last two Congresses at the request of worldwide hospitality operator Jacques Borel International.

Borel, subsidiary of French-based diversified giant Novotel, recently got its first toe-hold in the United States with its acquisition of the Seafood Broiler chain.

The latest employee meal tax bill may generate strong support this time around, especially from Congressional Republicans anxious to "sooth restaurant industry feathers" ruffled by the passage of last year's controversial tip reporting law, one official at the House Ways and Means Committee predicted.

"Restaurants received some shabby treatment from Congress last summer on that tip business, and this bill could be a way for us to make up with the industry," the committee aide said.

Under the current tax rules, employers may tax deduct the cost of providing employees meals only when they are served on premises (e.g. in company cafeterias), and then only when they are provided for the benefit a convenience of the employer.

Under Vander Jagt's bill, these deductions would be extended to cover meals purchased for employees off-premises in commercial restaurants—a change economists predict would prove to be a tonic for recession-softened food-service industry sales.

Three years ago an economic study prepared for the National Restaurant Association estimated that the Jacques Borel plan would add some $750 million to the food-service industry's dollar volume annually and create between 28,000 and 42,000 new jobs in the nation's restaurants.

(Continued on page 159)

Candidates named

Lee pegged for NRA presidency

LAHAINA, Hawaii—The National Restaurant Association's board of directors has nominated Joe Lee, president of the General Mills restaurant group, to succeed NRA president and chairman John Dankos when Dankos' one-year term expires on May 24.

Joe R. Lee

Lee, current NRA vice president, and a slate of candidates for the association's top elective posts will be formally voted on at NRA's spring board meeting in Chicago in May.

Harris Machus, current NRA treasurer and president of Machus Enterprises, Birmingham, Mich., was nominated to replace Lee as vice president. Ted Balestreri, president of Restaurants Central, Monterey, Calif., and current director representing NRA's region 12, was nominated to replace Machus as treasurer.

Nominated as new regular member directors to fill vacancies were Thomas Monaghan, president of Domino's Pizza, Ann Arbor, Mich.; W. W. "Biff" Naylor, president of Cindy's Restaurants, Los Angeles; Richard Marriott, corporate group vp of Marriott Corp., Washington, D.C.; Nancy Dini Sullivan, of Dini's Inc., Boston; William Munro, president of Pam Pam East Restaurants, San Francisco, and James Maynard, president of Golden Corral Corp., Raleigh, N.C.

Nominated for re-election as regional directors for three-year terms were Ella Brennan of Commander's Palace, New Orleans; Robert Clift of Banner Food Enterprises, Oklahoma City, Okla.; Jerry Goodwin, president of Reese Coffee Houses, Denver; John Kozlak of Kozlak's Royal Oak Restaurant, Shoreview, Minn., and William Ray Lackey, president of Lackey Enterprises, Statesville, N.C.

Nominated as directors-at-large for three-year terms were Kenneth Hill, president of Gilbert/Robinson Inc., Kansas City; Jack Laughery, ceo of Hardee's, Rocky Mount, N.C., and Jim Peterson, president and ceo of Whataburger, Corpus Christi, Tex.

Nominated for three-year terms as directors from states not otherwise represented were Roger Anderson of Robbie's Restaurant Inc., Great Falls, Mont.; Atlanta restaurateur Victor Impeciato and Ben Vidricksen.

The NRA's nominating committee, under chairman G. "Jim" Hasslocher, president of San Antonio-based Frontier Enterprises, hammered out the nominations at the NRA's winter board meeting here last month.

FINANCIAL NEWS

Wendy's fiscal 1982 income swells 20% to $44 million

DUBLIN, Ohio—Wendy's International net income for 1982 rose 20% to $44 million over the prior year. Revenues increased 24% to $608 million, the hamburger chain based here reported.

Systemwide sales in 1982 totaled $1.63 billion, a 15% increase over 1981.

Also during the year, Wendy's improved profit margins in company-operated restaurants to 18.1% of sales from 16.7% in 1981, Robert L. Barney, chairman and chief executive officer, said. Barney attributed the higher margins to an emphasis on operating efficiencies and lowered beef costs.

In 1982, Wendy's added 221 restaurants to its system, including 75 company-operated stores. At year-end, a total of 2,430 Wendy's were operating worldwide, including 125 outside the United States. Wendy's 1983 expansion plans call for at least 250 stores, including the first Wendy's restaurants in Hong Kong, Singapore, Italy and Mexico, the company said.

In the last quarter of 1982, Wendy's net income rose 22% to $11.6 million over the prior year's comparable period. Revenues for the quarter were up 14% to $157 million. Systemwide sales totaled $416 million.

Barney also said Wendy's reduced its debt-to-equity ratio to 39% from 49% a year earlier.

At year-end, Wendy's also had 25 Sisters Chicken & Biscuits restaurants open. This year about 36 Sisters are slated to open, of which 27 would be franchisee-run.

ARA Services Inc. first quarter earnings advance 2%

PHILADELPHIA—ARA Services Inc. reported a 2% increase in net earnings to $13.7 million for the three months ended Dec. 31, compared to the same period last year. Revenues increased 6% to $743 million.

William S. Fishman, ARA chairman and chief executive officer, called the figures "very encouraging."

First quarter results were ahead of expectations in all ARA sectors except food service, where domestic vending operations and airline-related services continue to be affected by the economy. With fewer planes flying and fewer passengers on each plane, the volume and number of accounts have decreased, a company spokesman said.

ARA is marketing its vending services by moving away from heavy manufacturing toward smaller light manufacturing and service-oriented companies.

Profits for the food-service sector were $12.5 million, down 11% from the previous year despite gains in school and hospital accounts. Income from international operations doubled

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Feb. 25							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin							Last Fiscal Year (Per Share)		
					Change		52-Week						Last Fiscal Year					Latest P/E Ratio	Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days		Amt.	Pct.				Amt.	Yield		Revenue	Earnings				
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	7.13	6.63	7.13	.13	1.79	7.88	3.75	.76	1.19	1.55	-21.75	.05	-.42 F	-89.3	-16.0	.3	142.5	.00	.0	01-06-81	27.7	1.2	2.4	5.69	2.90	1081
Am Motor Inns	INN	31.38	28.63	30.38	1.75	6.11	31.38	14.75	.09	.88	-.75	-23.97	2.10	.45 Q	25.4	29.0	7.0	13.7	.25	.8	12-26-82	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	40.38	36.13	40.00	3.13	8.47	40.38	23.50	.15	.93	3.78	-10.80	3.43	-.36 Q	-9.4	-8.0	1.4	11.7	2.00	5.0	11-24-82	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	17.25	14.50	17.25	2.50	16.95	17.25	5.00	1.77	.00	1.77	-12.87	.58	-.21 Q	-28.0	-17.0	2.2	31.9	.12	.7	12-06-82	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	9.75	7.88	8.50	-.50	-5.56	9.75	3.38	1.03	-1.07	3.24	9.20	.88	.26 F	41.9	34.0	3.6	9.7	.00	.0	00-00-00	86.2	2.1	1.2	1.49	3.09	1081
Bob Evans Farms	BOBE	29.00	27.00	28.00	.75	2.75	29.06	14.66	.38	-1.11	-3.53	25.60	1.09	.06 S	5.9	22.0	7.9	26.2	.30	1.1	01-18-83	173.4	13.7	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	3.00	2.75	2.88	-.13	-4.17	3.75	1.25	-.53	.44	-2.72	-71.00	-3.33	-.69 N	NE	-62.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.24	1.50	1281
Brock Hotel Cp	BHC	9.25	7.88	9.13	.88	10.61	17.50	7.50	-.36	.32	2.38	9.59	.59	.30 N	73.1	23.0	4.3	12.9	.10	1.1	12-13-82	165.1	7.1	1.2	11.01	3.90	1281
Calny Food	CLNY	14.00	12.50	13.25	-1.00	-7.02	15.00	5.00	.32	-.97	-5.28	-4.76	.74	.50 N	119.0	9.0	3.2	14.4	.20	1.5	01-27-83	37.0	1.2	.6	1.01	1.51	0282
Captain Crabs	CRAB	4.13	3.88	4.13	.25	6.45	4.13	1.00	1.44	-.38	2.23	-19.95	.00	.00 F	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	9.38	8.38	9.13	-.25	-2.67	9.63	2.75	.58	.75	-4.87	2.43	.44	.29 S	70.7	21.0	1.9	13.0	.07	.8	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	26.38	24.88	25.13	.00	.00	28.13	16.50	.64	-1.13	-3.31	28.98	2.08	.05 F	2.4	13.0	4.9	12.1	.60	2.4	12-27-82	353.9	17.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	25.25	24.00	25.25	.63	2.54	26.88	8.16	.00	.13	-4.11	7.12	.37	.18 S	60.0	26.0	11.1	52.6	.00	.0	12-20-82	14.9	2.1	3.1	.74	.82	0481
Ch Full O Nut	CHF	14.75	13.63	13.88	-.88	-5.93	18.25	9.25	-.19	-1.14	-.27	-25.83	.34	-.23 Q	-38.3	-13.0	1.4	37.5	.40	2.9	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	35.50	33.00	35.25	1.50	4.44	40.75	25.00	-.24	1.42	5.19	44.39	3.28	-.24 F	-6.8	15.0	9.8	10.7	1.00	2.8	01-24-83	412.1	44.6	1.9	1.02	15.25	1281
Cindys Inc	CNDYC	3.25	3.13	3.25	.00	.00	3.88	2.63	-.02	-.10	-1.70	-23.19	-.06	1.37 F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.17	.29	1281
Collins Foods	CF	20.50	18.25	19.75	1.38	7.48	22.63	8.72	-.12	1.60	-.60	24.76	1.69	.50 S	33.1	15.0	3.2	9.8	.24	1.2	12-23-82	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	14.00	13.00	14.00	-.13	-.89	14.13	5.25	.30	1.41	-1.30	29.83	.00	-.12 S	-70.5	NE	.0	280.0	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	21.50	20.75	20.75	.75	3.75	22.50	8.25	.02	-.44	-4.21	-25.36	1.03	.05 Q	4.6	19.0	3.7	18.4	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	33.00	28.63	32.13	3.13	10.78	36.88	19.84	.01	2.25	.14	30.55	2.47	.29 S	12.7	9.0	3.9	12.5	.64	2.0	03-04-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	21.13	17.00	21.13	4.13	24.26	21.13	7.41	.48	1.99	-.61	33.61	1.40	.19 F	15.7	19.0	9.4	15.1	.24	1.1	02-07-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	16.75	14.63	16.75	1.38	8.94	16.75	7.09	.72	1.79	.13	36.03	1.80	-.15 S	-8.7	14.0	3.8	10.7	.40	2.4	11-29-82	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	20.00	18.38	19.63	.25	1.29	20.63	9.63	-.02	-.46	1.21	51.35	.65	.65 F	NC	121.0	14.9	30.2	.00	.0	00-00-00	33.8	5.4	2.0	.76	1.01	1281
Hamburg Hamlet	HAMB	7.75	7.50	7.75	.25	3.33	8.25	5.00	.30	.58	-4.04	78.95	1.35	.50 S	81.9	-8.0	3.2	7.0	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.38	.88	.88	-.50	-36.36	3.13	.88	-1.81	-7.89	11.43	19.39	-2.22	-5.08 N	-336.8	-63.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.38	8.12	0981
Hilton Hotels	HLT	45.75	42.25	44.75	2.63	6.23	52.00	27.63	.09	-.45	2.31	-24.40	3.12	-1.10 F	-26.0	17.0	13.4	14.3	1.80	4.0	02-28-83	539.3	112.6	2.0	4.48	19.98	1281
Holiday Inns	HIA	38.00	35.00	37.00	1.00	2.78	40.25	23.75	-.26	-.31	2.08	.28	2.50	-.18 F	-6.7	13.0	6.8	14.8	.80	2.2	12-13-82	1765.1	137.4	.8	20.99	25.33	1281
Holiday Inns A	HIA A	54.00	54.00	54.00	.00	.00	59.00	38.38	-.35	-.41	4.94	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	29.00	26.13	26.63	-1.38	-4.91	29.00	9.53	.67	-2.69	.95	3.79	.95	.05 N	5.5	30.0	2.7	28.0	.00	.0	09-27-82	166.1	4.5	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	12.25	10.00	11.63	1.63	16.25	12.25	4.00	.56	-1.37	1.88	-33.84	.78	-.01 Q	-1.4	8.0	3.8	16.8	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Imperial Grp	IMT	2.00	1.81	1.81	-.19	-9.38	2.06	1.50	-.09	-2.70	-1.87	-38.46	.24	.00 F	.0	2.0	2.0	7.6	.14	7.7	09-28-82	8462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	30.00	26.50	27.00	1.25	4.85	30.00	9.50	.54	-3.46	3.93	-1.18	2.17	.45 F	26.1	37.0	6.2	12.4	.00	.0	00-00-00	91.3	5.6	1.1	9.68	5.82	1181
Int King Tab	IKNG	14.75	12.63	14.75	1.13	8.26	14.75	1.75	1.44	2.34	.80	.83	.33	1.00 S	NE	.0	1.4	22.7	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	12.38	11.63	12.38	.75	6.45	12.50	4.25	.19	-.08	-4.60	-36.26	.93	.27 Q	39.1	12.0	3.5	12.9	.16	1.3	02-07-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	26.88	25.00	26.88	1.75	6.97	29.38	15.88	.53	.11	-.32	76.10	1.75	-.20 S	-10.8	22.0	5.1	16.4	.12	.4	11-05-82	425.5	21.8	.9	3.64	11.24	0682
Kapok Tr Inns	KTI	5.63	5.38	5.38	.00	.00	5.63	3.00	.77	-1.28	1.05	-33.82	-.37	-.21 Q	NE	-46.0	-6.1	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.93	5.84	0981
Kelly-Johnston	KEJO	19.75	18.75	19.00	-.75	-3.80	24.50	9.34	-.43	-.88	-1.98	36.45	.59	.14 S	30.4	106.0	8.4	31.7	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	22.50	20.19	22.00	1.81	8.98	22.50	7.31	.71	-.27	2.40	31.56	1.21	1.43 N	NC	17.0	3.4	15.4	.00	.0	02-16-83	200.6	6.9	1.9	5.15	6.68	0182
Lubys Cafe	LUB	32.00	29.63	31.25	1.16	3.84	32.59	20.41	-.14	.78	-.66	9.09	1.35	.20 Q	16.6	21.0	9.1	22.3	.48	1.5	03-07-83	127.3	11.6	1.9	.64	6.79	0682
Marcus Corp	MRCS	11.25	10.88	11.13	.25	2.30	11.38	5.38	.27	-.09	-1.51	-16.37	1.13	-.09 S	-7.3	3.0	5.7	9.8	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	57.50	54.25	57.25	1.88	3.39	61.88	32.00	-.17	.13	-1.60	7.34	3.44	.24 F	7.5	28.0	3.7	16.6	.36	.6	03-21-83	2000.3	86.1	.9	23.23	16.12	1281
McDonalds Cp	MCD	67.38	59.75	65.50	4.50	7.38	67.38	39.69	.31	1.72	1.55	5.54	5.00	.64 F	14.6	17.0	10.9	13.1	.88	1.3	10-15-82	2477.2	264.8	.5	15.35	22.73	1281
Morrison Inc	MORR	19.00	18.63	19.00	.13	.66	19.88	8.50	-.05	-.22	-.01	-20.80	1.16	.33 S	33.6	8.0	4.1	14.5	.36	1.9	01-03-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	3.63	2.75	3.63	.63	20.83	3.63	1.75	1.21	8.03	4.04	10.34	-.98	-1.20 F	-545.4	-29.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.00	2.00	2.00	.00	.00	2.50	.72	-.92	-.31	-2.99	53.70	.03	.80 N	NE	NE	.6	20.0	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	22.75	21.75	22.75	1.25	5.81	22.75	7.03	.95	.14	1.35	2.75	.78	.87 S	NC	49.0	3.9	26.1	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	14.50	14.50	14.50	.00	.00	14.50	9.00	-.10	-.43	4.04	.00	1.74	-.83 N	-47.9	3.0	1.3	16.1	.32	2.2	12-29-82	133.4	1.7	.8	5.60	13.02	0981
Orange-co	OJ	5.38	5.00	5.00	-.38	-6.98	10.25	4.38	-.08	-1.36	-.88	12.08	-.25	-1.69 Q	-156.4	-26.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0682
Peoples Rest	PEPL	9.13	8.25	9.13	.75	8.96	9.88	2.88	.15	1.32	-.14	19.86	.19	.18 S	NC	78.0	13.8	50.7	.00	.0	00-00-00	5.8	.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	17.63	17.00	17.63	.75	4.44	18.13	13.50	.55	.15	-1.37	1.33	1.39	-.11 S	-7.8	12.0	5.9	13.6	.56	3.2	12-09-82	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	9.88	8.13	9.50	1.13	13.43	9.88	4.50	.47	.31	1.44	-51.34	.50	-.17 N	-27.4	-8.0	1.0	21.1	.00	.0	00-00-00	133.5	1.4	.9	12.94	6.65	1281
Pizza Time Thea	CHKY	19.25	16.25	19.25	.50	2.67	32.50	14.25	-.06	1.85	1.32	-5.35	1.27	.69 F	118.9	41.0	7.6	15.2	.00	.0	00-00-00	36.2	2.6	3.2	.81	7.87	1281
Ponderosa Sys	PON	20.13	17.25	19.88	2.13	11.97	20.13	8.00	.28	1.62	2.42	-29.64	1.34	.66 N	69.4	-6.0	2.4	12.3	.33	1.7	01-07-83	353.9	8.5	1.0	13.32	11.23	0282
Ramada Inns	RAM	7.25	6.25	7.00	.63	9.80	7.25	4.25	.40	1.78	.33	38.43	-.73	-.77 F	-925.0	-29.0	-3.6	NE	.00	.0	10-19-81	395.5	1.4	.6	18.98	6.03	1281
Restaur Assc	RA	7.63	7.13	7.25	-.25	-3.33	7.63	3.25	.48	-.26	-.04	23.19	.97	-.32 N	-32.6	42.0	2.4	11.0	.00	.0	00-00-00	99.2	2.4	1.3	3.17	6.38	1281
Ryans Fam Steak	RYAN	24.75	22.50	22.75	-.50	-2.15	24.75	6.16	.68	-2.26	-5.16	43.08	.65	.65 F	NC	75.0	10.2	35.0	.00	.0	01-20-83	7.9	.7	1.6	1.08	1.16	1281
Saga Corp	SGA	43.75	41.00	43.50	2.00	4.82	44.50	20.25	-.08	.45	-.07	1.85	3.35	.78 S	25.2	41.0	1.9	11.2	.72	1.7	02-14-83	901.0	16.8	.9	8.51	17.72	0682
Sea Galley	SEAG	8.00	7.63	8.00	.13	1.59	10.63	5.50	.02	.00	-3.20	-18.62	.02	-.66 F	-97.0	-11.0	.1	400.0	.00	.0	06-02-81	49.0	2.2	1.8	2.38	4.99	1281
Servico Inc	SRVI	14.50	13.50	14.50	1.00	7.41	14.50	7.03	.18	1.02	-3.59	53.65	1.54	-.82 N	-43.6	61.0	3.5	13.7	.00	.0	07-09-82	126.4	4.4	1.1	50.99	5.46	1281
Shoneys Inc	SHON	31.50	30.25	31.38	1.13	3.72	32.38	13.63	-.11	-.43	-1.30	-26.30	1.23	.20 F	19.4	21.0	5.3	25.5	.20	.6	01-05-83	268.7	14.8	1.0	1.97	5.03	1081
Skippers	SKIP	10.25	9.75	10.25	.25	2.50	10.25	4.25	.55	.83	.34	-11.14	.72	-.01 F	-1.3	8.0	2.6	14.2	.08	.8	10-18-82	33.7	1.0	1.2	3.45	6.07	1281
Sonesta Hotel	SNSTZ	16.50	16.50	16.50	.00	.00	16.50	8.50	-.03	-.42	-6.10	-40.91	.94	-.70 N	-40.2	39.0	1.4	15.9	.20	1.2	06-25-82	145.0	2.1	.9	27.74	10.01	1281
So Hospitality	SHOS	6.00	5.75	6.00	.25	4.35	6.25	1.00	1.01	-.37	-3.00	8.68	.14	.19 S	NC	23.0	2.5	31.6	.00	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	4.25	4.13	4.13	-.13	-2.94	4.50	2.50	.60	-1.27	-.82	-17.52	.18	.12 F	200.0	-28.0	1.4	22.9	.00	.0	05-17-79	56.5	.3	1.2	4.60	2.60	0981
Victoria Stations	VSTA	8.38	7.88	8.25	.50	6.45	11.00	5.00	1.08	-.30	-.43	12.01	.35	-1.07 N	-891.6	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys-Intl	WEN	16.13	14.75	15.75	.13	.80	16.75	8.16	.28	1.18	2.34	-2.41	1.13	.12 F	11.8	18.0	7.3	13.9	.24	1.5	11-26-82	486.6	36.9	.6	2.56	5.27	1281
Webb Del E	WBB	14.00	12.38	13.38	.25	1.90	14.00	4.88	.65	1.09	.82	21.01	.56	.81 N	NE	-24.0	1.3	24.3	.00	.0	11-07-80	414.8	5.3	1.1	16.12	13.25	1281
Winners Cp	WNER	18.50	17.50	17.88	.50	2.88	18.50	7.25	.45	-.85	1.87	-23.50	.67	.84 N	NC	6.0	2.1	21.3	.00	.0	00-00-00	72.7	1.5	.3	13.37	7.09	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

Food-service net gains 13% in fourth quarter

By Rurick Telberg

Food-service companies polished their stellar performance in the fourth quarter while lodging firms continued to suffer earnings setbacks, according to a survey of financial results.

Revenues and net profits both rose 13% in the food-service business, but lodging firms posted a 31% profits plunge while sales improved a bare 6% from 1981 to 1982, according to the survey.

Nation's Restaurant News compiled the financial results of 45 publicly held food-service and lodging corporations for their fiscal quarters ending in October, November or December, and compared their 1982 quarter with their 1981 quarter. Each firm's reports were then totaled to yield data by business segment.

Of eight lodging firms surveyed, five suffered setbacks and three reported advances in net earnings. Setbacks hit three of the biggest hotel chains.

Hilton's earnings slid 36% to $18.8 million on a sales falloff of 3% to $152 million. Holiday Inns posted a 17% profits slippage to $10.8 million while revenues edged upward 3% to $334.5 million. Ramada's net losses ballooned to $8.9 million from $1.2 million in the fourth quarter as sales advanced 19% to $126.9 million.

The food-service picture, however, was much brighter. Of the 37 companies surveyed, only seven posted profit declines while the other 30 reported gains.

Fast feeders lagged behind the rest of the food-service industry in advances. Twelve chains reported net gains and three reported setbacks, but overall net profits advanced 9% on a sales improvement of 8%.

McDonald's, which alone makes up about half the sales and earnings of the 15-firm segment, posted a 12% earnings gain to $68.5 million on a revenues gain of 9% to $690.3 million. Without McDonald's, which itself faltered in the fourth quarter, the remaining 14 chains would have totaled an unimpressive 4% net gain and an 8% sales gain.

Wendy's, however, surged in the fourth quarter with $11.6 million in profits, a 22% gain, and $156.9 in revenues, a 14% increase.

Jerrico's net slipped 10% to $4.7 million as sales edged upward 6% to $109.8 million. Church's net continued to weaken, slipping 12% to $12.7 million while sales rose a bare 3% to $131.6 million. Godfather's net climbed 18% to $2 million, but revenues declined 6% to $10.4 million.

Chart House, a Burger King franchisee; Collins, a Kentucky Fried Chicken franchisee; Dairy Queen, and Skipper's, a Pacific Coast fish chain, all showed modest gains for the fast feeders.

Dominated by the huge Denny's chain and a one-time gain at Shoney's, the coffee shop segment scored a 41% advance in net profits and a 17% increase in revenues.

Denny's net climbed 5% to $9 million on a 10% sales gain to $253.8 million. Shoney's net leaped 151% to $9.3 million and its revenues jumped 45% to 97.1 million, but much of that was inflated by a $4.6-million net gain from a stock swap linked to the R. J. Reynolds takeover of Heublein. Sambo's, which is in Chapter XI, had not released its fourth quarter figures when the survey was made in mid-February.

Making it on margins, Ponderosa scored a 62% profits gain to $3.4 million on a 10% sales rise to $91.8 million. Sizzler, recently spun off from Collins, more than doubled its net to $1.4 million while sales climbed 14% to $31.2 million. However, Victoria Station deepened its losses to $1.9 million from $186,000 last year and sales dwindled by 8% to $33.5 million.

Chi-Chi's and its biggest franchisee, Kelly-Johnston, both scored big in Mexican restaurants, but Sea Galley and Hungry Tiger both faltered in the seafood business.

Morrison dominated the cafeteria segment with its $4.6 million in net profits, a 24% advance, and its $103.9 million in revenues, a 17% gain.

Marriott, Saga, and ARA make up the powerhouse diversified food service companies. They combined for a 13% net gain and a 15% revenues gain.

FOURTH QUARTER* SALES AND EARNINGS OF 45 FOOD-SERVICE AND LODGING FIRMS

(Fiscal period ended Oct.-Dec. 1982 compared to Oct.-Dec. 1981)

Segment	Number of firms surveyed	Revenues: Oct.-Dec. 1982 (Millions)	Revenues: Per cent change from 1981	Profits: Oct.-Dec. 1982 (Millions)	Profits: Per cent change from 1981	Margins: Profits as per cent of sales Oct.-Dec. 1982	Margins: Per cent change from 1981
Fast Food	15	1,377.2	+ 8	112.7	+ 9	8.2	0
Diversified	3	1,806.2	+15	48.9	+13	2.7	0
Dinnerhouse	10	253.8	+17	6.0	+15	2.4	0
Coffee Shops	5	407.5	+17	20.2	+41	5.0	+22
Cafeterias	4	187.9	+15	10.6	+14	5.6	− 2
Food-Service Total	37	4,032.6	+13	198.4	+13	4.9	0
Lodging	8	851.8	6	43.3	−31	5.1	−35
Food-Service and Lodging Total	45	4,884.4	12	241.7	+ 1	4.9	−11

Source: Company reports

*Refers to calendar quarter, not necessarily firms' fiscal quarter

Chart House net up 6% for year

LAFAYETTE, La.—Chart House Inc., a diversified restaurant company operating 378 Burger King units, the Luther's Bar-B-Que and three dinnerhouse chains, reported net profit rose 6% to $18.7 million for the year ending Dec. 31, 1982.

Total revenues rose 8% to $382 million for the year compared with 1981.

These results mark the first time since 1977 that Chart House has failed to exceed its previous year's profits by about 20%. A company spokesman, W. David Hanks, blamed "the effects of a severe recession on the economy and the company's operations."

Chart House has reported increases in profits and net income for the last 19 consecutive years.

During 1982 the company sold almost 1.5 million additional shares of stock, gaining $32 million which it used to reduce long-term debt.

A company spokesman said Chart House will continue to pursue "asset redeployment into growth-oriented concepts."

For Chart House, this probably means more conversions of Cork 'N Cleaver steakhouses into Cisco's Cafe Mexican-style dinnerhouses, and the shift of the Burger King division's resources from the recession-hit northern Illinois to Sunbelt markets such as the Houston area and Florida, and the aggressive development of the Luther's system.

As recently as a few months ago, Chart House president and chief executive officer William Hyde was listening to bids for the Burger King system, the chain's largest single franchisee. But last month the company decided instead to keep the division, which many in the company value as an important internal source of expansion capital.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Imasco Ltd.	13 wks. 9 mos.	12/31			$700.037 2.075	18.00 24.50	$ 48.462 126.642	28.4 28.3
Ramada Inns Inc.	12 mos. 13 wks.	12/30			548.321 126.921	31.80 18.80	(19.825) (8.907)	
Associated Hosts	13 wks.	12/30			20.514	2.70	$429,000	(26.5)
Mr. Steak Inc.	13 wks.	12/26			7,406	2.40	$ 43,000	(57.8)
Church's Fried Chick.	12 mos. 16 wks.				423.822 131.564	0.86 3.40	41.598 12.678	(6.8) (12.6)
Nathan's Famous	13 wks. 39 wks.	12/26			4.221 14.647	4.10 3.70	($ 66,944) $841,302	42.9
Kapok Tree Inns Corp.	16 wks.	1/16			2.761	(7.70)	($575,000)	
CFS Continental Inc.	16 wks.	1/22			347.810	10.50	4.117	6.6
Wendy's Int'l	13 wks. 12 mos.	12/31			156.910 607.640	14.40 24.30	11.565 44.102	22.2 19.6
Godfather's Pizza	13 wks. 12 mos.	1/2			20.439 40.234	(5.70) 13.30	2.013 6.025	18.3

Source: *Company earnings reports*

—loss in corresponding period

**In millions*

†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Jerrico profit down 10% for second quarter

LEXINGTON, Ky.—Jerrico Inc., operator of 1,300 Long John Silver's seafood restaurants, said net income for the second quarter ended Dec. 31 declined 10% to $4.7 million from the prior year's $5.2 million. Revenues for the quarter rose 7%, to $110 million.

For the first half of fiscal 1983, net income was $10.4 million, compared to $11.7 million the year before. Revenues for the six months were up by 7%, to $226 million.

During the second quarter, average sales at company-operated units were $108,000, down 2% from the same quarter of the prior year. Average pretax earnings were $18,200 as compared to $21,000, the company said. On a real sales basis, sales declined by 5.8% during the quarter if average price increases of 4.2% are taken into account.

Jerrico said it would increase prices in 400 of its 756 company-operated stores starting Feb. 8. The move will result in a cumulative price increase of about 5% for the quarter, and should improve profit margins by 2%.

The company also announced a 5-for-4 stock split for shareholders of record Feb. 10.

Luby's earnings off in 2nd quarter

SAN ANTONIO—Luby's Cafeterias officials expect to report slower earnings growth for the second quarter ending Feb. 28.

"The recession is finally coming to Texas," said president John Lahourcade. Chainwide traffic counts, he said, are down 1% to 3%, month-to-month, from last year.

In addition, six company-owned stores along the Mexican border are suffering 15% to 17% sales dips and 10% profit declines due to the devaluation of the peso.

"We'll have increased sales and earnings in the second quarter," he said, "but I don't think the sales gains or the profit gains will be as high as the first quarter."

Lahourcade, however, plans no drastic action for the 70-unit chain.

"We've never done any kind of special promotion," he said, "and I don't plan to start now. We're going to rely on the years of experience our cafeterias have to tighten controls.

"Texas trailed the rest of the country into the recession," he continued, "and I expect we'll trail it out, too."

In the first quarter ended Nov. 30, Luby's netted $3.2 million, a 23% gain, on sales of $34.1 million, a 13% increase, compared to the same period last year.

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See page 9